

ATB Investor Beat:

The Pulse of Alberta Investors



Investor Services

2018 brings new savings goals for Albertans

Traditionally, a new year marks a time when many of us make resolutions to change our habits to improve our wellbeing and happiness. Many commit to healthy eating, regular exercise, quitting smoking, spending more time with loved ones, and saving more by spending less. But as the clock starts to tick, many of these resolutions fail to stick, and we find ourselves making the same goals again next year.

For those who made resolutions this year, you may be one of many Albertans who want to get your saving goals on track. Entering 2018, Albertans' top financial priorities include paying down debt and saving for retirement. However, only two-in-ten Albertans are projecting to put money into longer-term investment plans. As a result, a large percentage of older, working Albertans heading into retirement do not have adequate savings to retire comfortably.

According to Statistics Canada, this is a growing concern across our nation, as the Canadian household savings rate fell to 2.6% in the third quarter of 2017. This negative trend in savings, alongside rising consumer debt, means the face of retirement is changing.

The dream of Freedom 55 or even 65 may be postponed, as people continue to focus on debt-repayment and daily expenses, causing contributions to retirement savings to get pushed off.

The good news is, everyone can take control of their savings for retirement - it's as simple as making a plan. Having a solid plan is key to achieving any New Year's resolution and is the difference between people who stick to them and those who don't.

To ensure you and your family save enough to be financially comfortable, start saving earlier and don't hesitate to get advice from trusted financial professionals. It's never too late to start saving and investing in your future, and the comfort of a plan will ensure you are on the right track.

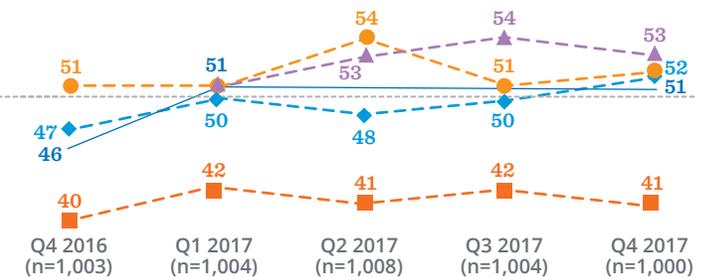


Sounds like the start of a promising New Year's resolution to me.

Chris Turchansky
President
ATB Investor Services

The Investor Beat Optimism Index

Despite the global political drama throughout 2017, stocks achieved respectable returns. This performance contributed to the increase in investment optimism amongst Albertans over the past year, with stock market optimism tracking highest across all measured factors. Optimism for investing in stocks and cash also surged ahead compared to this time last year. Millennials continue to be more positive about oil market/prices compared to Boomers and Gen-Xers.



The **Investor Beat Optimism Index** is based on a representative sample of Albertans who rate their optimism towards investing, different investment products and economic factors. The ratings are based on a net positive score, which is then rescaled to fit an index ranging from 0 to 100.

- Optimism with specific investment products:**
- ▲— Balanced Mutual Funds
 - Real Estate
 - ◆— Cash
 - ◆— Stocks (directly and equity funds)
 - Bonds

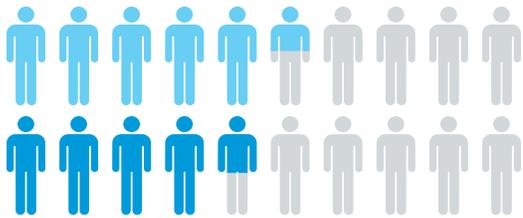
The economy according to Albertans

Alberta's economic recovery is firmly underway, which has positively shifted Albertans' sentiment towards a number of economic factors. Steady oil prices have instilled Albertans with renewed confidence in our provincial economy overall, including job opportunities and the cost of living. Millennials, men and Edmonton residents are more positive in their outlook towards Alberta's recovering economy, most likely because oil prices reached 60 dollars per barrel at the end of 2017.



Is the drop in oil prices still impacting Albertans?

Change in those impacted fell from 54% in Q3 2017 to 45% in Q4 2017.

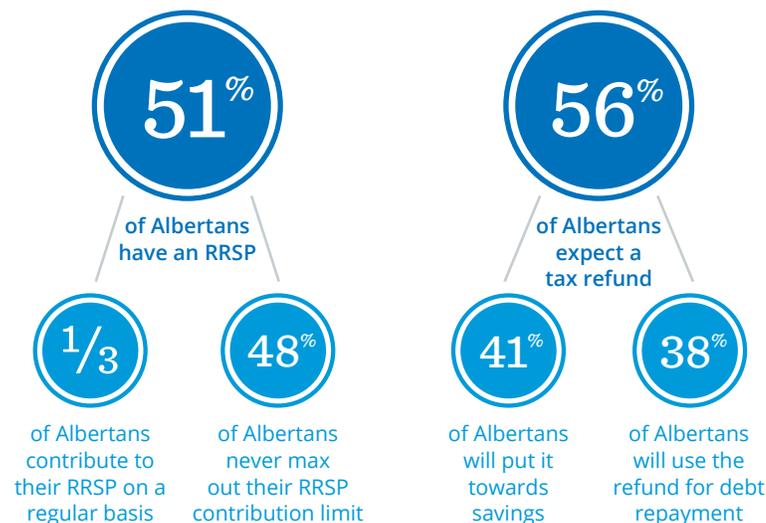


Albertans are feeling less impacted by oil prices in these areas, compared to last quarter:



With oil prices rebounding, less Albertans are feeling the strain of lower oil prices, compared to last quarter. Millennials continue to be the most positive about oil prices, perhaps a result of more lower-wage job opportunities becoming available. This quarter, many Albertans feel less impacted by an increased cost of living and declining real estate values. Compared to last year, many Albertans feel less impacted by decreasing investment portfolio performance.

RRSP contributions and income tax refunds



Only 51% of Albertans say they have an RRSP, which presents the opportunity for more Albertans to begin saving now for their retirement. With only 31% of Albertans contributing regularly to their RRSPs, a financial plan can help maximize their contributions to potentially include contributing their tax refund back to their RRSP. For the 56% of Albertans who expect to receive a tax refund this year, only 12% intend to put their refund back into their investments and 41% plan to put it into short-term savings. This contributes to cash continuing to be the product most Albertans have in their financial portfolio.

Financial Goals

While there is a significant decline this quarter versus last quarter, saving for retirement remains the top financial goal for Albertans, along with paying down debt. After holding steady for the past year, reducing the amount of tax paid and saving for a major purchase have both declined this quarter.

Saving for retirement

48%

Paying down debt

48%

Reduced spending

41%



of Albertans claim to be aware of interest rate increases



remain neutral about interest rate increases



will do nothing different.

Albertans remain neutral about impacts to their personal finances caused by the Bank of Canada's recent interest rate hikes, while some Albertans feel the need to financially prepare.

27%

already have or will save more money

17%

will borrow less money

16%

will pay off their loan or mortgage sooner

For more information on this report or the next ATB Investor Beat edition, please write us at investorbeat@atb.com. You can also visit atb.com/investorbeat to be included on the mailing list.

About ATB Investor Services

ATB Investor Services is the wealth management arm of ATB Financial. Our goal is to sort through the clutter and make investing easier to understand so our clients can focus on the things that really matter in life.

To learn more about ways our investing philosophy is helping Albertans, please contact Chris Turchansky, president of ATB Investor Services at christurchansky@atb.com

Who did we talk to?

Ipsos (www.ipsos-na.com) is the third largest market research company in the global industry providing a full range of market research services. In North America, Ipsos has more than 2,100 research professionals and support staff located in 33 offices, with eight offices in Canada.

These findings are from an online survey conducted from Oct 13-24, 2017 using Ipsos' i-Say panel. The 1000 respondents are representative of Albertans 18 years of age and older based on age, gender and region. Using a Bayesian credibility interval the survey is considered accurate to within +/- 3.5 percentage points had all adults in Alberta been polled.

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